

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT  
NASHVILLE, TENNESSEE**

**January 14, 2004**

**IN RE:**

**PETITION OF PRIMUS TELECOMMUNICATIONS, INC.  
AND LEAST COST ROUTING, INC. D/B/A LCR FOR  
SMALL BUSINESSES INC. FOR APPROVAL OF A PRO  
FORMA TRANSFER OF CONTROL**

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**DOCKET NO.  
03-00580**

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**ORDER APPROVING TRANSFER OF AUTHORITY**

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This matter came before Director Pat Miller, Director Sara Kyle, and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on December 8, 2003 for consideration of the Petition of Primus Telecommunications, Inc. ("PTI") and Least Cost Routing, Inc. d/b/a LCR for Small Businesses Inc. ("LCR") for TRA approval of a transfer of authority to provide telecommunications services as required under Tenn. Code Ann. § 65-4-113.

**Tenn. Code Ann. § 65-4-113**

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain TRA approval to transfer its authority to provide utility services (also known as a "certificate of public convenience and necessity" or "CCN"). Tenn. Code Ann. § 65-4-113(a) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

### **Background**

PTI is a wholly-owned subsidiary of Primus Telecommunications Group, Inc. ("PTGI") and was authorized to provide resold interexchange telecommunications services in Tennessee on February 20, 1996 in Tennessee Public Service Commission Docket No. 95-03981. LCR is also a wholly-owned subsidiary of PTGI and was authorized to provide resold interexchange telecommunications services in Tennessee on November 27, 1996 in TRA Docket No. 96-01603.

### **The Petition**

In the Petition, which was filed with the TRA on November 3, 2003, PTI and LCR outline a transaction which will result in a *pro forma* transfer of control of both companies to Primus Telecommunications Holding, Inc. ("PTHI"), an intermediate holding company created by PTGI. After completion of the transaction, PTHI will become a parent company of both PTI and LCR, but ultimate ownership of all three companies will remain with PTGI, which will also retain ultimate ownership of the Tennessee CCNs. PTI and LCR will each continue to be the direct holder of its own CCN and will still be the actual provider of telecommunications services; however, because the transaction will result in a *pro forma* transfer of these CCNs, the Parties are seeking the approval of the TRA.

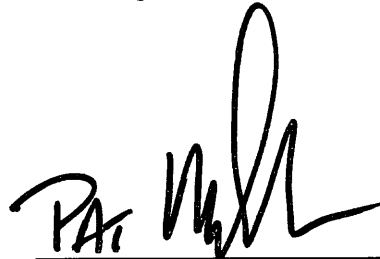
According to the Petition, the transaction will be seamless to the customers of PTI and LCR and will result in no changes in the terms, rates, or conditions of service or the day-to-day operations of either PTI or LCR. Moreover, the Parties propose to serve the public interest through this transaction by promoting competition and providing consumer benefits. As a result of this transaction, the Parties intend to improve operational and cost efficiencies, thereby increasing the companies' ability to offer a wide array of competitive telecommunications services.

**The December 8, 2003 Authority Conference**

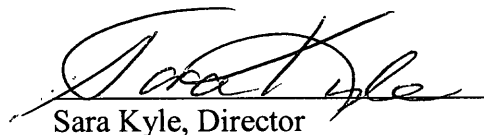
At the December 8, 2003 Authority Conference, the Directors found that the proposed transaction does not harm the public interest and voted unanimously to approve the Petition.

**IT IS THEREFORE ORDERED THAT:**

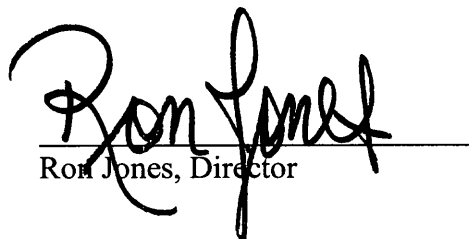
The proposed *pro forma* transfer of the Tennessee CCNs as described in the Petition of Primus Telecommunications, Inc. and Least Cost Routing, Inc. d/b/a LCR for Small Businesses Inc. and discussed herein is approved.

A handwritten signature in black ink, appearing to read "Pat Miller", written over a horizontal line.

Pat Miller, Director

A handwritten signature in black ink, appearing to read "Sara Kyle", written over a horizontal line.

Sara Kyle, Director

A handwritten signature in black ink, appearing to read "Ron Jones", written over a horizontal line.

Ron Jones, Director